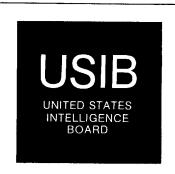
# **Top Secret**



# National Intelligence Bulletin

Top Secretary July 1974

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## CYPRUS

The Cyprus peace talks in Geneva appeared close to a successful conclusion early today, but agreement was not reached when Ankara would not accept wording about troop presence on the island. The talks in Geneva are continuing this morning.

The Turkish cabinet met for almost three hours this morning to consider the proposed agreement but adjourned without comment. A government spokesman said the ministers would meet again later "if necessary."

The Turks have been insisting on a conference communique that not only would settle cease-fire arrangements, but also would point to a longer term political solution. Specifically, the Turks want agreement on a federation consisting of two autonomous "administrations" coordinated by a Greek Cypriot president and a Turkish Cypriot vice president. They also insist on "real security" for the Turkish Cypriots. Ankara apparently intends to maintain military pressure on Cyprus until there is at least a general agreement in Geneva on the outlines of a political settlement.

Prime Minister Ecevit set forth Turkish demands in a press conference yesterday morning. He insisted on Ankara's right to continue sending reinforcements to Cyprus, and he said that right cannot be questioned until the final and legitimate status of the island is decided in a way satisfactory to Ankara and the Turkish Cypriots. Ecevit conceded that there had not been much progress in the talks up to the present, and warned that unless all its demands were met, Ankara would not sign a cease-fire agreement. Later in the day he announced that Athens had until last night to accept Turkey's conditions or the Turkish delegation would walk out.

The Cypriot government has been concerned over what it describes as Athens' lack of understanding and support. The Cypriot foreign minister said yesterday

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that Prime Minister Karamanlis is so overwhelmed by his responsibilities that he is unable or unwilling to focus on Cyprus' needs. He said the Royal Air Force had agreed to fly him and President Clerides to Athens on Saturday, but Karamanlis had said he was far too busy to see them.

During the most intense phase of the Geneva negotiations last evening, Athens called for a meeting of the UN Security Council and for a NATO foreign ministers meeting. After the Turks' midnight deadline had passed, the Greeks withdrew their request for a special session of the Security Council. The prospect of a summit meeting between Greek and Turkish prime ministers was mentioned in dispatches from Ankara and Athens, and cabinets in both capitals may decide today whether a summit is desirable.)

NATO Secretary General Luns has called for a meeting today of the North Atlantic Council in Brussels. Luns has asked the member states to be represented by their foreign ministers, if possible.

Limited military activity by Turkish forces on Cyprus continues. President Clerides protested the landing of more Turkish troops and equipment in the Kyrenia area yesterday

Clerides also protested the movement of Turkish tanks along the northern coast, but he admitted that the Turkish action was carried out in response to the National Guard's reoccupation of towns taken earlier by the Turks and then abandoned.

UN forces on the island report minor incidents, mostly in the Kythrea area, east of Nicosia. Such incidents probably will continue as the Turks consolidate their positions and as Greek Cypriot forces reorganize their defenses.

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#### **GREECE**

Prime Minister Karamanlis' inclusion in his cabinet of some representatives of the political left has strengthened his government, although it will undoubtedly irritate some elements of the military.

The appointment last Friday of some former Center Union deputies who represent the left--although not the extreme left of the party--and several apolitical liberals will make the government more palatable to Greece's left-of-center constituency. It will probably be viewed as tokenism by the extreme left, one of whose principal spokesmen--Andreas Papandreou--plans to return to Greece on Wednesday, according to the press. Papandreou has already denounced the new government as a tool of NATO and the US. Karamanlis' aim is reportedly to create as broadly representative a government as possible to handle the Cyprus crisis.

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### USSR-CYPRUS

Moscow yesterday demonstrated its interest in preserving an independent Cyprus and in staking out a role for itself in the negotiations over the island's future.

In a strongly worded government statement, the USSR said developments over the past week threaten the independence of the island. In an apparent allusion to the US, Moscow expressed its suspicion that "certain circles" in NATO are seeking to exploit the situation in order to consolidate their military and strategic position in the eastern Mediterranean. The statement is Moscow's first authoritative pronouncement since the assumption of power by Clerides and the cease-fire.

In order to underline its concern that London, Athens, and Ankara may agree to change the island's political status, Moscow told the three participants that it was dispatching an observer to Geneva. The government statement said that Moscow was also firmly behind the participation of the "legitimate" Cypriot government in the Geneva talks. The Soviets last night called at a meeting of the UN Security Council for full implementation of the Council's resolution of July 20.

The Soviets also have drafted a resolution that would have the Security Council send a special mission to Cyprus immediately "to verify on the spot" the implementation of the UN resolution. The mission would be made up of an unspecified number of Council members; the USSR merely indicated that it would be willing to be a participant. The text was not formally circulated prior to the adjournment of the Security Council meeting last night, and the Soviets apparently are having difficulty securing a nonaligned member of the Council to serve as the official sponsor of the draft.

As long as the Geneva talks continue, a proposal for a special mission will probably not be put to a vote in the Council, which is to resume its deliberations this afternoon.

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| The Soviet statement did not direct for its role in the current situation, respond to Clerides' call last week for pressure to get Turkey to stop violatin These omissions are consistent with Mosforts during the crisis to cast itself thetic to the Turks.  | nor did it directly Moscow to exert g the cease-fire. cow's other ef-                             |
| The Soviets appear to remain in fa with Ankara; yesterday the Soviet ambas the Turkish defense minister.   |   |
| Despite its opposition to enosis of apparently has a flexible attitude towal settlement on the island. The Soviet goment said that "both Cypriot Greeks and should decide the future of their "common The Soviets may hope Ankara will receive hint that Moscow would find acceptable eral system within the framework of an | rd an eventual overnment state- Cypriot Turks" on motherland." e favorably this some type of fed- |
| Meanwhile, the Soviets are seeking attitudes toward Makarios and Clerides.   |   |
| Despite their suspicions about Cle<br>have avoided direct public criticism of  |   |
| support for Makarios seems increasingly  |   |

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#### PORTUGAL

President Spinola's failure to spell out how or when Portugal's overseas territories would make the transition to independence suggests that negotiations with the rebel groups in Africa have bogged down. His recognition in a speech last weekend of the right to independence of the territories, however, is a significant retreat from his earlier insistence on a referendum and seems to spell an end to his hopes for a confederation.

Spinola stated that Portugal is open to any initiatives for the planning and execution of the decolonization process. This should encourage several moderate African leaders who are attempting to mediate between the rebels and the Portuguese--particularly presidents Senghor of Senegal, Kaunda of Zambia, and Nyerere of Tanzania-- to come up with suggestions.

Spinola said that Lisbon could begin transfer of power now to Portuguese Guinea, Angola, and Mozambique. His omission of the Cape Verde Islands may have signaled Lisbon's hope to retain these strategic islands, or at least to delay consideration of their status.

Spinola sought to reassure the white settlers in Portuguese Africa that they need not fear for their security, as he believed the authorities of the new countries would be guided by a sense of justice. The Portuguese appear to believe that elimination of the referendum requirement and acceptance of independence as the final goal will prove sufficient inducements to the rebel liberation movements to end the fighting and will facilitate negotiations over the means and timing of the transfer of power.

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#### MOROCCO-SPAIN

Morocco has placed its armed forces on alert and has recalled at least some reservists.

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state of alert was declared on July 25, all leaves were canceled, and reservists were ordered mobilized.

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The US defense attaché in Rabat also has reported that some of Morocco's F-5 fighter aircraft were recently transferred from Meknes to Marrakech.

The military moves apparently are part of a policy of intimidation designed to gain advantage in Morocco's dispute with Spain over the future of Spanish Sahara. King Hassan's campaign to "recover" Spanish Sahara appears to be the first phase of a strategy to use Moroccan nationalist and irredentist aspirations to achieve internal unity. The US embassy in Rabat, however, believes that the King is pursuing a high-risk policy that could result in the use of limited military or paramilitary action against Spanish forces. In pursuing this course, Hassan may find it difficult to back down unless Spain modifies its plans to grant greater autonomy to its Saharan province.

The King considers Spain the adversary until colonial rule is ended in the area, but the embassy thinks that if Madrid decided to withdraw, the King would make concessions in order to obtain Spanish cooperation in opposing the territorial claims of Mauritania, which are backed by Algeria.

All Arab states will support Morocco's demand that Spain vacate the Spanish Sahara, but support from other Arabs for Morocco's claims to the area is much weaker. Most Arab states would be reluctant to take sides in a

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quarrel, especially at this time when they are anxious not to weaken Arab unity on the far more important issue of a Middle East peace settlement.

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USSR

The Soviets apparently are accelerating their behind-the-scenes efforts to organize a world conference of Communist parties.

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Brezhnev on July 20 issued Moscow's first authoritative call for a conference of European Communist parties. Brezhnev did not explicitly assert that such a conference should precede a world conclave, but it appears the Soviets are thinking in these terms.

Moscow still faces resistance from some important parties that fear the Soviets will use a world conference to condemn China and limit Communist diversity. The Soviets apparently will seek to discuss the China problem at a conference, but it is difficult to see how they can do this without further damaging Communist unity.

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LAOS

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Non-Communists in the coalition structure have made some progress in resolving organizational problems.

After several weeks of acrimonious wrangling, leaders of the recently established conservative political front have agreed that Deputy Prime Minister Leuam Insisiengmay will formally head the front's Central Committee, while Defense Minister Sisouk will act as secretary general. The committee intends to report to and consult with Prime Minister Souvanna on its activities. If necessary, it may also seek advice on pressing problems from representatives of political parties and clubs.

The limited make-up of the committee--it consists only of cabinet ministers and other conservative representatives within the coalition--is a victory for Leuam. Over the objections of almost all of his political colleagues, he had argued against giving the committee a broad political base.

It seems likely that Leuam actually will play a secondary role in the front. Apparently the primary reason for picking him to head the organization was that he is the oldest non-Communist minister. His indecisiveness and reluctance to stand up to the Pathet Lao on key issues before the cabinet have further eroded his already limited political popularity. The real powers within the front probably will be Sisouk and Finance Minister Ngon Sananikone.

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